GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2766
ANSWERED ON:21.08.2006
AMENDMENT TO FORWARD CONTRACTS REGULATION ACT,1952
Lagadapati Shri Rajagopal

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether there is any proposal to amend the Forward Contracts Regulation Act, 1952 to strengthen and restructure the Forward Markets Commission;

(b) if so, the details of the proposed amendments;

(c) whether the Government proposes to constitute the Forward Market Appellate Tribunal on the lines of Security Appellate Tribunal;

(d) if so, the details thereof; and

(e) the time by which it is likely to be implemented?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN)

(a) & (b): Yes Sir. The Forward Contracts (Regulation) Amendment Bill, 2006 has been introduced in the Lok Sabha on 21.3.2006. The amendments proposed in the Bill mainly relate to:

(i) increasing the number of Members of the Forward Markets Commission (FMC) from four to nine with up to three whole-time Members and a Chairman;
(ii) enhancing the powers of the FMC;

(iii) conferring power upon FMC to recruit its officers and employees;
(iv) creating FMC General Fund to which all receivables will be credited; and
(v) registration of intermediaries with FMC.

(c) & (d): No Sir. It is proposed to designate the Securities Appellate Tribunal as the appellate authority for the purposes of the Forward Contracts (Regulation) Act, 1952.

(e) : The Forward Contracts (Regulation) Amendment Bill, 2006 has been referred to the Standing Committee of Parliament on Food, Consumer Affairs and Public Distribution. The Report of the Committee is awaited.